

Message Text

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ACTION L-03

INFO OCT-01 ARA-06 EUR-12 IO-13 ISO-00 SSO-00 NSCE-00

INRE-00 USIE-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

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FM USMISSION GENEVA

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INFO USMISSION USUN NEW YORK

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USMISSION OECD PARIS

AMEMBASSY LAPAZ

AMEMBASSY MEXICO CITY IMMEDIATE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY KINGSTON IMMEDIAGE

AMEMBASSY BELGRADE

C O N F I D E N T I A L GENEVA 5887

BELGRADE FOR GOVERNOR SCRANTON

E.O. 11652: GDS

TAGS: PFOR EINV PGOV UN ECOSOC

SUBJECT: 61ST ECOSOC PROPOSAL ON ILLICIT PAYMENTS

REF: GENEVA 5836

1. SUMMARY: LED BY GOVERNOR SCRANTON, US DELEGATION
JULY 22 CONTINUED ITS INTENSIVE EFFORTS TO BUILD SUPPORT
FOR THE US PROPOSAL ON ILLICIT PAYMENTS. THE NEW APPROACHES
BEING MADE IN CAPITALS HAVE BEGUN TO BE REFLECTED IN
GENEVA, PARTICULARLY IN THE CASE OF KEY WESTERN DELEGA-
TIONS. THE SITUATION WITH REGARD TO CERTAIN INFLUENTIAL
LDC'S, ESPECIALLY LATIN AMERICANS, REMAINS VERY DIFFICULT
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HOWEVER, DISCUSSIONS WITH THE MEXICAN DELEGATION

REVEALED AN ATTITUDE OF HARD-LINE OPPOSITION. END SUMMARY.

2. DURING HIS VISIT TO ECOSOC JULY 22, GOVERNOR SCRANTON RAISED THE ILLICIT PAYMENTS QUESTION WITH ECOSOC PRESIDENT AKE (IVORY COAST PERMREP FROM NEW YORK). GOVERNOR SCRANTON EXPLAINED THE BACKGROUND TO OUR PROPOSAL, EMPHASIZING THE HIGH-LEVEL US GOVERNMENT INTEREST IN THIS MATTER AND OUR DETERMINATION TO PURSUE IT. HE ALSO STRESSED OUR VIEW THAT SUCCESSFUL ECOSOC ACTION ON ILLICIT PAYMENTS WOULD NOT DETRACT FROM WORK ON THE TNC CODE OF CONDUCT BUT COULD, ON THE CONTRARY, ENHANCE CHANCES FOR PROGRESS ON THE MATTER. IN ANY CASE, THE US WAS CERTAINLY NOT MOTIVATED BY ANY DESIRE TO DEAL WITH THE ILLICIT PAYMENTS QUESTION AND IGNORE THE REST. GOVERNOR SCRANTON URGED THAT AKE GIVE THIS MATTER HIS PERSONAL ATTENTION AND LEND SUPPORT. AKE SAID HE WOULD DO HIS BEST AND WOULD KEEP IN CLOSE TOUCH WITH USDEL.

3. IN THE COURSE OF HIS VISIT, GOVERNOR SCRANTON ALSO TALKED WITH THE HEAD OF THE BOLIVIAN DELEGATION (WHO HAS BEEN VERY HELPFUL TO US) AND WITH THE YUGOSLAV DELEGATION WHO HAS BEEN ACTIVE ON INTERNATIONAL QUESTIONS AND WILL PROBABLY PLAY A KEY ROLE IN G-77 CONSIDERATION OF THE US PROPOSAL.

4. OTHER MEMBERS OF THE DELEGATION HAVE CONTINUED ACTIVE LOBBYING. IN VIEW OF THE FACT THAT JAMAICA HAD BEEN NEGATIVE IN THE LATIN AMERICAN CAUCUS (SEE REFTEL), MYERSON TALKED WITH JAMAICAN AMBASSADOR MILLS IN DETAIL. MILLS SAID THAT HE "UNDERSTOOD" OUR VIEWS; HAD TO AWAIT FURTHER WORD FROM KINGSTON BEFORE TAKING A FINAL POSITION; BUT HOPED THAT SOME COMPROMISE WOULD BE POSSIBLE. HE SAID, HOWEVER, THAT VERY LITTLE TIME REMAINS IN THE CURRENT ECOSOC SESSION AND THE G-77 DELEGATION HAVE A LOT OF OTHER THINGS ON THEIR PLATTER. MYERSON STRESSED THAT OUR PROPOSAL HAS BEEN IN THE WORKS AND UNKNOWN BOTH TO NEW YORK DELEGATION AND TO WASHINGTON.

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GATIONS AND CAPITALS FOR SOME TIME. ACCORDINGLY, WASHINGTON WOULD FIND IT INCOMPREHENSIBLE IF ECOSOC FAILED TO ACT ON AN IMPORTANT MATTER BECAUSE THE G-77 NOW FOUND THAT THEY DID NOT HAVE TIME TO FOCUS ON IT.

5. WE HAVE ALSO TALKED WITH THE PERUVIAN AMBASSADOR, WHOSE ATTITUDE IS POSITIVE, AND ARE ARRANGING A BILATERAL WITH THE ARGENTINIAN AMBASSADOR.

6. BRAZIL DEL INDICATED THAT OUR RESOLUTION WAS HAVING DIFFICULT TIME IN LATIN CAUCUS WITH HARD LINERS RAISING FOLLOWING PROBLEMS: A) HOW TO DEFINE ILLICIT PAYMENTS; B) THE FEELING THAT US RESOLUTION PLACES UNDUE EMPHASIS ON GOVERNMENTS RATHER THAN COMPANIES; C) THE FEAR THAT WORK ON A CONVENTION WOULD INTERFERE WITH WORK ON A CODE; D) THE FEELING THAT WORK ON BRIBERY SHOULD BE DONE ON TNC COMMISSION AND, E) THE FACT THAT SELA WILL BE EDISCUSSING TNC AT ITS NEXT MEETING. BRAZIL ITSELF HAS CERTAIN DIFFICULTIES WITH US RESOLUTION AND IS WORKING TO INCLUDE UNCITRAL IN WORK ON CONVENTION. US DEL SPOKE WITH AMBASSADOR KEARNEY IN GENEVA ON UNCITRAL . NEXT UNCITRAL MEETING IS IN APRIL AND UNGA WOULD HAVE TO REQUEST UNCITRAL TO WORK ON PROBLEM IF WE WISH TO HAVE UNCITRAL START WORK BEFORE THAT TIME. KEARNEY ALSO QUESTIONED WHETHER UNCITRAL, WHICH DRAFTS TREATIES RELATED TO COMMERCIAL MATTERS, WOULD BE WILLING TO DO LEGAL RESEARCH ON MATTER RELATED TO CRIMINAL LAW. (COMMENT: WE ASSUME THAT DEPARTMENT WOULD HAVE NO PROBLEM WITH LANGUAGE IN RESOLUTION REQUESTING THAT UNCITRAL HAVE AN INPUT INTO WORK OF PREPARATORY COMMITTEE PROVIDED SUCH WORK IS NOT A PRECONDITION FOR COMMITTEE ACTION OR A SUBSTITUTE FOR IT.).

7. DURING LONG, FRUSTRATING DISCUSSION, MEXICAN REP CONTINUALLY STRESSED THOUGHT THAT WORK ON CORRUPTION WAS NOT IN GOM'S POINT OF VIEW IMPORTANT COMPARED TO SUCH OTHER TOPICS AS DESTABILIZATION OF GOVERNMENTS OR CORRUPT PRACTICES OF TNC'S WHICH DID NOT INVOLVE BRIBERY, SUCH AS RESTRICTIVE BUSINESS PRACTICE. HE, LIKE SEVERAL OTHER LATINS, HAVE ASKED WHETHER US PROPOSAL MEANS ANY MODIFICATION OF US POSITION ON LEGAL NATURE OF CODE OF CONDUCT. US DEL STATED THAT CONFIDENTIAL

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LEGAL NATURE OF CODE OF CONDUCT. US DEL STATED THAT US POSITION HAS NOT BEEN MODIFIED BUT THAT POSITIVE OUTCOME OF WORK ON CONVENTION WOULD SET EXTREMELY GOOD ATMOSPHERE FOR WORK ON CODE. MEXICAN DEL MUSED, WHETHER SERIOUSLY OR NOT WE CANNOT TELL, THAT PERHAPS MANDATE OF WORKING GROUP SHOULD BE BROADENED TO INCLUDE DRAFTING OF TREATIES ON DESTABILIZATION OF GOVERNMENTS, ETC. HE SAID THAT HIS INSTRUCTIONS FROM FOREIGN MINISTER GARCIA-ROBLES COULD BE SUMMARIZED IN ONE LINE: WORK ON CORRUPT PRACTICES MUST BE DONE IN FRAMEWORK OF BROAD CODE OF CONDUCT.

8. US DEL CONTINUED CONSULTATIONS WITH IRANIAN REPRESENTATIVE. PROBABLY ON MONDAY WE WILL SIT DOWN WITH HIM AND POSSIBLY OTHER G-77 MEMBERS TO DISCUSS, ON

INFORMAL BASIS,MODIFICATIONS IN US PROPOSAL. IN CABLE
TO BE SNET TOMORROW, WE WILL DISCUSS FULLY THOSE CHANGES
WE BELIEVE WILL MEET CERTAIN CONCERNS OF BOTH DC'S
AND LDC'S WITHOUT IMPAIRING BASIC THRUST OF OUR
TPROPOSAL.

9. JUDGING FROM COMMENTS TODAY BY REPRESENTATIVES
OF FRANCE AND UJ, THE DEVELOPED COUNTRIES ARE GRADUALLY
COMING AROUND TO A GRUDGING WILLINGNESS NOT TO OPPOSE
US PROPOSAL AND WOULD PROBABLY JOIN IN CONSENSUS.DALE

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